

Frequently Asked Questions (FAQs)

on Bank Indonesia Circular Letter Number 10/23/DPM dated July 14, 2008, concerning Second Amendment to Bank Indonesia Circular Letter Number 7/1/DPM dated January 3, 2005, concerning Implementation of Fine Tune Operation Transactions in Open Market Operations

Q. By the enactment of this Circular Letter, does the system used to inform FTO transaction plans also change?

A. No, only the name of the system changed, namely from PIPU to LHBUS System.

Q. When is FTO transaction announced by Bank Indonesia and what does the announcement contain?

A. The information on the implementation of FTO shall be announced by Bank Indonesia through the BI-SSSS and/or LHBUS System no later than before FTO transaction window time opens. The announcement contains, among other things :

A. Through the BI-SSSS

- 1) Auction Participants;
- 2) indicative target if applying Variable Rate Tender (VRT) auction method or FTK transaction discount rate if applying Fixed Rate Tender (FRT) auction method;
- 3) tenor;
- 4) window time;
- 5) minimum quantity of bid amounting to Rp1,000,000,000.00 (one billion Rupiah) with a multiple of Rp100,000,000.00 (one hundred million Rupiah);
- 6) multiple of bid for FTK transaction discount rate of 0.01% (one per ten thousand) if under VRT auction method; and
- 7) settlement date and time limit.

B. Through the LHBUS System

- 1) auction day and date;
- 2) window time;
- 3) tenor;
- 4) auction method;

5) indicative ...

- 5) indicative target if applying VRT auction method or discount rate if applying FRT auction method; and
- 6) settlement date and time limit.

Q. If in one day Bank X participates in FTO transactions with transaction status :

- **1 FTE transaction in the morning session, status settled**
- **1 FTE transaction in the morning session, status fail to settle**
- **3 FTK transactions in the afternoon session, status fail to settle**

how many times has Bank X made cancellations of OMO transactions?

A. Bank X has cancelled OMO transactions for 2 times. Cancellations that occur in 1 FTO session shall be counted as 1 (one) cancellation and there is no difference in the type of underlying assets in use.

Cancellations occurring in different type of FTO transactions (FTK or FTE), or different session (the morning session or afternoon session), shall be counted as 1 (one) cancellation respectively.

Further information may be obtained from OMO Helpdesk of Bank Indonesia.

DPM